

ALLEN PARISH POLICE JURY
Oberlin, Louisiana

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

For the Year Ended December 31, 2001
With Supplemental Information Schedules

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	2
PRIMARY GOVERNMENT FINANCIAL STATEMENTS:	
Balance Sheet - All Fund Types and Account Groups	4
Governmental Fund Type:	
Statement of Revenues, Expenditures, and Changes In Fund Balances	5
Statement of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual - General Fund	6
Statement of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual - Special Revenue Funds	7
Statement of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual - Debt Service Funds	8
Statement of Revenues, Expenditures, and Changes In Fund Balances - Budget and Actual - Capital Projects Funds	9
Notes to the Financial Statements	10
SUPPLEMENTAL INFORMATION SCHEDULES:	
Schedule of Compensation Paid Police Jurors	25
Schedule of Findings	26
Management's Corrective Action Plan for Current Year Audit Findings (Unaudited)	29
Summary Schedule of Prior Audit Findings	30
INDEPENDENT AUDITORS' REPORT SECTION:	
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32



Mires & Company
A Professional Corporation

Certified Public Accountants

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American Institute of Certified Public Accountants
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Private Company Practice Section AICPA

INDEPENDENT AUDITORS' REPORT

Allen Parish Police Jury
Oberlin, Louisiana

We have audited the accompanying primary government financial statements of the Allen Parish Police Jury, as of and for the year ended December 31, 2001 as listed in the table of contents. These financial statements are the responsibility of the Allen Parish Police Jury, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the Allen Parish Police Jury, as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

However, the primary government financial statements, because they do not include the financial data of component units of the Allen Parish Police Jury, do not purport to, and do not, present fairly the financial position of the Allen Parish Police Jury, as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2002, on our consideration of the Allen Parish Police Jury's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the primary government financial statements of the Allen Parish Police Jury. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the primary government financial statements; and, in our opinion, the information is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
June 21, 2002

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS
Balance Sheet, December 31, 2001

	GOVERNMENTAL FUNDS				FIDUCIARY FUNDS		ACCOUNT GROUPS			TOTALS	
	General	Special Revenue	Debt Service	Capital Projects	Agency Fund		General Fixed Assets	Long-Term Obligations		(Memorandum Only)	
										2001	2000
ASSETS AND OTHER DEBITS											
Assets:											
Cash	\$ 950,914	\$ 2,448,656	\$ 4,604	\$ 774,633	\$ 210,708	\$ -	-	\$ -	\$ 4,389,515	\$ 4,674,423	
Receivables	434,254	2,036,914	-	54,702	-	-	-	-	2,525,870	2,410,278	
Fixed assets	-	-	-	-	-	10,653,530	-	-	10,653,530	10,262,941	
Other Debits:											
Amount available in debt service funds	-	-	-	-	-	-	-	4,604	4,604	4,677	
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-	-	-	-	-	-	
TOTAL ASSETS AND OTHER DEBITS	\$ 1,385,168	\$ 4,485,570	\$ 4,604	\$ 829,335	\$ 210,708	\$ 10,653,530	2,688,182	\$ 2,692,786	\$ 20,261,701	\$ 20,587,368	
LIABILITIES, EQUITY, AND OTHER CREDITS											
Liabilities:											
Accounts payable	\$ 28,209	\$ 250,869	\$ -	\$ 15,790	\$ -	\$ -	-	\$ -	\$ 294,868	\$ 361,483	
Due to other governments	-	-	-	-	210,708	-	-	-	210,708	269,467	
Capital lease payable	-	-	-	-	-	-	-	47,653	47,653	88,659	
Compensated absences payable	-	-	-	-	-	-	-	90,133	90,133	86,067	
General obligation bonds payable	-	-	-	-	-	-	-	2,555,000	2,555,000	3,065,000	
Total Liabilities	28,209	250,869	-	15,790	210,708	-	-	2,692,786	3,198,362	3,870,676	
Equity and Other Credits:											
Investment in general fixed assets	-	-	-	-	-	10,653,530	-	-	10,653,530	10,262,941	
Fund Balances:											
Reserved for debt service	-	-	4,604	-	-	-	-	-	4,604	4,677	
Unreserved - undesignated	1,356,959	4,234,701	-	813,545	-	-	-	-	6,405,205	6,449,074	
Total Equity and Other Credits	1,356,959	4,234,701	4,604	813,545	-	10,653,530	-	-	17,063,339	16,716,692	
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 1,385,168	\$ 4,485,570	\$ 4,604	\$ 829,335	\$ 210,708	\$ 10,653,530	2,692,786	\$ 2,692,786	\$ 20,261,701	\$ 20,587,368	

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2001

REVENUES	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS (Memorandum Only)	
					2001	2000
Taxes:						
Ad valorem	\$ 194,075	\$ 1,782,821	\$ -	\$ -	\$ 1,976,896	\$ 1,613,911
Sales and use	-	1,336,343	-	280,281	1,616,624	1,575,490
Other taxes, penalties, interest, etc	3,777	-	-	-	3,777	2,884
Licenses and permits	42,671	-	-	-	42,671	40,885
Intergovernmental revenues:						
Federal grants	21,600	-	-	-	21,600	468,200
State funds:						
Parish transportation funds	-	252,676	-	-	252,676	362,445
State revenue sharing (net)	18,545	160,669	-	-	179,214	174,289
Severance taxes	975,976	-	-	-	975,976	1,269,072
Other state funds	96,699	-	-	-	96,699	412,680
Grants	28,527	-	-	-	28,527	40,368
Other	59,219	-	-	8,000	67,219	-
Fees, charges, and commissions for services	166,895	-	-	-	166,895	82,968
Fines and forfeitures	-	360,760	-	-	360,760	364,396
Gaming revenues	6,400	788,062	-	-	835,439	2,199,869
Use of money and property	26,665	80,333	-	40,977	129,353	241,450
Other revenues	45,681	29,018	23,208	22,355	97,907	59,495
TOTAL REVENUES	1,686,730	4,790,682	23,208	351,613	6,852,233	8,908,402
EXPENDITURES						
General government:						
Legislative	161,786	-	-	-	161,786	168,556
Judicial	171,389	432,178	-	-	603,567	552,070
Executive	-	-	-	-	-	13,913
Elections	27,903	-	-	-	27,903	23,252
Financial and administrative	98,570	-	-	-	98,570	82,604
Other	349,233	224,365	142,614	-	716,212	697,766
Public safety	169,368	-	-	-	169,368	156,351
Public works	-	3,773,030	-	-	3,773,030	3,508,039
Health and welfare	3,804	-	-	-	3,804	3,804
Intergovernmental	102,672	56,023	-	-	158,695	27,125
Culture and recreation	157	-	-	-	157	512
Economic development and assistance	243,657	-	-	-	243,657	126,234
Debt service	15,785	25,221	510,000	-	551,006	531,609
Capital outlay	9,100	112,172	-	-	390,589	2,948,338
TOTAL EXPENDITURES	1,353,424	4,622,989	652,614	269,317	6,898,344	8,840,173
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	333,306	167,693	(629,406)	82,296	(46,111)	68,229
Other financing sources (uses):						
Proceeds from bond issues and capital lease	-	-	-	-	-	38,071
Sales of assets	-	2,169	-	-	2,169	11,508
Operating transfers in	13,650	555,447	629,333	500	1,198,930	895,543
Operating transfers out	(570,222)	(354,411)	-	(274,297)	(1,198,930)	(895,543)
TOTAL OTHER FINANCING SOURCES (USES)	(556,572)	203,205	629,333	(273,797)	2,169	49,579
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(223,266)	370,898	(73)	(191,501)	(43,942)	117,808
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	1,580,225	3,863,803	4,677	1,005,046	6,453,751	6,335,943
FUND BALANCES (DEFICIT) AT END OF YEAR	\$ 1,356,959	\$ 4,234,701	\$ 4,604	\$ 813,545	\$ 6,409,809	\$ 6,453,751

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
GOVERNMENTAL FUND - GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2001

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes:			
Ad valorem	\$ 170,138	\$ 194,075	\$ 23,937
Sales and use	-	-	-
Other taxes, penalties, interest, etc	6,000	3,777	(2,223)
Licenses and permits	40,800	42,671	1,871
Intergovernmental:			
Federal grants	-	21,600	21,600
State funds:			
State revenue sharing (net)	18,100	18,545	445
Severance taxes	1,180,744	975,976	(204,768)
Other state funds	101,110	96,699	(4,411)
Grants	-	28,527	28,527
Other	-	59,219	59,219
Fees, charges and commissions for services	165,600	166,895	1,295
Gaming revenues	-	6,400	6,400
Use of money and property	30,592	26,665	(3,927)
Other revenues	25,400	45,681	20,281
TOTAL REVENUES	<u>1,738,484</u>	<u>1,686,730</u>	<u>(51,754)</u>
EXPENDITURES			
General government:			
Legislative	164,916	161,786	3,130
Judicial	290,273	171,389	118,884
Elections	38,114	27,903	10,211
Financial and administrative	118,132	98,570	19,562
Other	494,691	349,233	145,458
Public safety	130,867	169,368	(38,501)
Health and welfare	4,004	3,804	200
Intergovernmental	65,807	102,672	(36,865)
Culture and recreation	2,000	157	1,843
Economic development and assistance	276,806	243,657	33,149
Debt service	11,850	15,785	(3,935)
Capital outlay	39,000	9,100	29,900
TOTAL EXPENDITURES	<u>1,636,460</u>	<u>1,353,424</u>	<u>283,036</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>102,024</u>	<u>333,306</u>	<u>231,282</u>
Other financing sources (uses):			
Operating transfers in	-	13,650	13,650
Operating transfers out	(864,741)	(570,222)	294,519
TOTAL OTHER FINANCING SOURCES (USES)	<u>(864,741)</u>	<u>(556,572)</u>	<u>308,169</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(762,717)</u>	<u>(223,266)</u>	<u>539,451</u>
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>1,580,225</u>	<u>1,580,225</u>	<u>-</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 817,508</u>	<u>\$ 1,356,959</u>	<u>\$ 539,451</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
GOVERNMENTAL FUND - SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2001

SPECIAL REVENUE FUNDS			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes:			
Ad valorem	\$ 1,469,840	\$ 1,782,821	\$ 312,981
Sales and use	1,321,745	1,336,343	14,598
Intergovernmental:			
State funds:			
Parish transportation funds	252,982	252,676	(306)
State revenue sharing (net)	156,687	160,669	3,982
Fines and forfeitures	395,460	360,760	(34,700)
Gaming revenues	787,500	788,062	562
Use of money and property	104,635	80,333	(24,302)
Other revenues	24,892	29,018	4,126
TOTAL REVENUES	4,513,741	4,790,682	276,941
EXPENDITURES			
General government:			
Judicial	474,212	432,178	42,034
Other	242,877	224,365	18,512
Public works	5,613,717	3,773,030	1,840,687
Intergovernmental	57,420	56,023	1,397
Debt service	-	25,221	(25,221)
Capital outlay	1,255,117	112,172	1,142,945
TOTAL EXPENDITURES	7,643,343	4,622,989	3,020,354
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,129,602)	167,693	3,297,295
Other financing sources (uses):			
Sales of assets	-	2,169	2,169
Operating transfers in	920,188	555,447	(364,741)
Operating transfers out	(224,797)	(354,411)	(129,614)
TOTAL OTHER FINANCING SOURCES (USES)	695,391	203,205	(492,186)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(2,434,211)	370,898	2,805,109
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	3,863,803	3,863,803	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 1,429,592	\$ 4,234,701	\$ 2,805,109

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
GOVERNMENTAL FUND - DEBT SERVICE FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2001

	DEBT SERVICE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes:			
Ad valorem	\$ -	\$ -	\$ -
Sales and use	-	-	-
Other taxes, penalties, interest, etc	-	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal grants	-	-	-
State funds:			
Parish transportation funds	-	-	-
State revenue sharing (net)	-	-	-
Severance taxes	-	-	-
Other state funds	-	-	-
Grants	-	-	-
Fees, charges and commissions for services	-	-	-
Fines and forfeitures	-	-	-
Gaming revenues	-	-	-
Joint service agreement	-	-	-
Use of money and property	-	-	-
Other revenues	-	23,208	23,208
TOTAL REVENUES	-	23,208	23,208
EXPENDITURES			
General government:			
Legislative	-	-	-
Judicial	-	-	-
Executive	-	-	-
Elections	-	-	-
Financial and administrative	-	-	-
Other	-	142,614	(142,614)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Intergovernmental	-	-	-
Culture and recreation	-	-	-
Economic development and assistance	-	-	-
Debt service	652,492	510,000	142,492
Capital outlay	-	-	-
TOTAL EXPENDITURES	652,492	652,614	(122)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(652,492)	(629,406)	23,086
Other financing sources (uses):			
Operating transfers in	652,492	629,333	(23,159)
TOTAL OTHER FINANCING SOURCES (USES)	652,492	629,333	(23,159)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(73)	(73)
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	4,677	4,677	-
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 4,677	\$ 4,604	\$ (73)

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
GOVERNMENTAL FUND - CAPITAL PROJECTS FUNDS
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2001

	CAPITAL PROJECTS FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes:			
Ad valorem	\$ -	\$ -	\$ -
Sales and use	311,275	280,281	(30,994)
Other taxes, penalties, interest, etc	-	-	-
Licenses and permits	-	-	-
Intergovernmental:			
Federal grants	-	-	-
State funds:			
Parish transportation funds	-	-	-
State revenue sharing (net)	-	-	-
Severance taxes	-	-	-
Other state funds	-	-	-
Grants	-	-	-
Other	-	8,000	8,000
Fees, charges and commissions for services	-	-	-
Fines and forfeitures	-	-	-
Gaming revenues	30,000	40,977	10,977
Joint service agreement	-	-	-
Use of money and property	21,199	22,355	1,156
Other revenues	-	-	-
TOTAL REVENUES	<u>362,474</u>	<u>351,613</u>	<u>(10,861)</u>
EXPENDITURES			
General government:			
Legislative	-	-	-
Judicial	-	-	-
Executive	-	-	-
Elections	-	-	-
Financial and administrative	-	-	-
Other	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Intergovernmental	-	-	-
Culture and recreation	-	-	-
Economic development and assistance	-	-	-
Debt service	-	-	-
Capital outlay	932,465	269,317	663,148
TOTAL EXPENDITURES	<u>932,465</u>	<u>269,317</u>	<u>663,148</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(569,991)</u>	<u>82,296</u>	<u>652,287</u>
Other financing sources (uses):			
Operating transfers in	-	500	500
Operating transfers out	(346,294)	(274,297)	71,997
TOTAL OTHER FINANCING SOURCES (USES)	<u>(346,294)</u>	<u>(273,797)</u>	<u>72,497</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(916,285)</u>	<u>(191,501)</u>	<u>724,784</u>
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	<u>1,005,046</u>	<u>1,005,046</u>	<u>-</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 88,761</u>	<u>\$ 813,545</u>	<u>\$ 724,784</u>

The accompanying notes are an integral part of this statement.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Primary Government Financial Statements
As of and for the Year Ended December 31, 2001

INTRODUCTION

The Allen Parish Police Jury is the governing authority for Allen Parish and is a political subdivision of the State of Louisiana. The police jury is governed by seven jurors representing the various districts within the parish. The jurors serve four-year terms that expire on January 1, 2004.

Louisiana Revised Statute (R.S.) 33:1236 gives the police jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, gaming revenues, and various other state and federal grants.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Allen Parish Police Jury have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for Allen Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the police jury has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Allen Action Agency, Inc.	June 30	1
Allen Parish Clerk of Court	June 30	2 and 3
Allen Parish Library	December 31	1 and 3
Allen Parish Sheriff	June 30	2 and 3
Allen Parish Tax Assessor	December 31	2 and 3
Allen Parish Tourism Commission	December 31	1 and 3
Ambulance Service Dist. No. 1	December 31	1 and 3
Bayou Blue Gravity Drainage District No. 1	December 31	1 and 3
East Allen Parish Waterworks District	December 31	1 and 3
Elizabeth Recreation District No. 3	December 31	1 and 3
Fire District No. 1 of Allen Parish	December 31	1 and 3
Fire District No. 2 of Allen Parish	December 31	1 and 3
Fire District No. 3 of Allen Parish	December 31	1 and 3
Fire District No. 4 of Allen Parish	December 31	1 and 3
Fire District No. 5 of Allen Parish	December 31	1 and 3
Fire District No. 6 of Allen Parish	December 31	1 and 3
Gravity Drainage District No. 1	December 31	1 and 3
Gravity Drainage District No. 2	December 31	1 and 3
Hospital Service District No. 3	December 31	1 and 3
Oakdale Recreation District No. 1	December 31	1 and 3
Recreation District No. 2 of Allen Parish	December 31	1 and 3
Recreation District No. 4 of Allen Parish	December 31	1 and 3
Southwest Allen Parish Waterworks District	December 31	1 and 3
Thirty-Third Judicial District Criminal Court	December 31	2 and 3
Waterworks District No. 1	December 31	1 and 3
West Allen Parish Waterworks District	December 31	1 and 3

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units, except as discussed in the following paragraph, are included in the accompanying financial statements.

These primary government (police jury) financial statements include all funds, account groups, and organizations for which the police jury maintains the accounting records. The police jury maintained the accounting records of the Criminal Court Fund for the year ended December 31, 2001.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury) financial statements are

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

Considered in the determination of component units of the reporting entity were the Allen Parish School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Allen Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Allen Parish Police Jury.

C. FUND ACCOUNTING

The police jury uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the police jury are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for all or most of the police jury's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. General Fund - the general operating fund of the police jury and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Debt service funds - account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. Capital projects funds - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the police jury. Fiduciary funds include:

1. Agency funds - account for assets that the police jury holds on behalf of others as their agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Sales taxes are recognized in the month received by the police jury's collection agency, the Allen Parish School Board.

Federal and state grants are recorded when the police jury is entitled to the funds.

Interest income on interest bearing demand deposits is recorded at the end of the month when credited to the account.

Substantially all other revenues are recorded when they become available to the police jury.

Based on the above criteria, ad valorem taxes, state revenue sharing, sales taxes, and federal and state grants are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term obligations, which are recognized when due.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Other Financing Sources (Uses)

Proceeds from bonds and bank loans and transfers between funds which are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses).

E. BUDGETS

Preliminary budgets for the ensuing year are prepared by the secretary-treasurer beginning in October. The finance committee reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are then advertised in the official journal. Prior to its regular January meeting of the next year, the jury holds a public hearing on the proposed budgets in order to receive comments from citizens. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during the regular January meeting, and notice is published in the official journal.

The secretary-treasurer presents necessary budget amendments to the jury when actual operations are differing materially from those anticipated in the original budget. The jury in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in jury minutes published in the official journal. The police jury exercises budgetary control at the functional level. Within functional levels, the secretary-treasurer has the authority to make amendments as necessary. The police jury does not utilize encumbrance accounting, however, the original budgets and any subsequent amendments are incorporated in the accounting system. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. For the year ended December 31, 2001, the police jury adopted budgets for the General Fund, all special revenues funds, all capital projects funds, and all debt service funds.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the police jury may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. INVESTMENTS

Investments are limited by R.S. 33:2955 and the police jury's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are not capitalized. Construction period interest is immaterial and is not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Approximately 43 percent of general fixed assets are valued at actual cost, while the remaining 57 percent of general fixed assets are valued at estimated historical cost based on the actual cost of like items.

I. COMPENSATED ABSENCES

The police jury has the following policy relating to vacation and sick leave:

Employees of the Allen Parish Police Jury receive from 5 to 20 days of vacation leave each year, depending on their length of service. Until January 10, 2000 vacation leave could be accumulated without limitation. After that date vacation leave must be used in the year earned or it is forfeited. Vacation leave accumulated up to January 10, 2000 has been recorded in the general long-term debt account group. In addition, police jury employees earn up to 13 days of sick leave each year. Sick leave can be accumulated without limitation; however, accumulated sick leave is forfeited upon termination of employment.

Employees of the Thirty-Third Judicial District Criminal Court earn a maximum of 10 days of vacation leave and 5 days of sick leave each year, depending on their length of service. Vacation and sick leave do not accumulate and employees cannot be paid for unused leave upon termination of employment.

Permanent employees of the Allen Parish Police Jury earn compensatory time at the rate of 1.5 per hour for overtime hours worked. Unused compensatory time at the time of termination will be paid to the employee at that time. This liability has been recorded in the general long-term debt account group.

At December 31, 2001, employee leave benefits other than compensatory time and vacation leave, requiring recognition in accordance with GASB Statement No. 16, were determined to be immaterial and are not included within the general long-term obligations account group. The cost of leave privileges, computed in accordance with GASB Statement No. 16, is recognized as a current-year expenditure within the various funds when leave is actually taken.

J. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

K. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

L. SALES TAXES

On September 29, 1984, voters of the parish approved a seven-tenths of one per cent sales tax, which is dedicated to the collection and disposal of solid waste. The tax is for a fifteen year period and expires on November 30, 1999. Effective January 1, 1985, the jury entered into an agreement with the Allen Parish School Board whereby the school board will provide collection services for a fee of two percent of total collections. On November 20, 1999, voters of the parish renewed this tax for a fifteen year period and the tax expires on November 30, 2014.

M. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - LEVIED TAXES

The following is summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish wide taxes:			
General	3.50	3.50	-
Special revenue funds:			
Courthouse and Jail Maintenance	3.07	3.07	2004
District Maintenance taxes:			
No. 1	9.16	9.16	2011
No. 1	21.47	21.47	2005
No. 1A	8.10	8.10	2005
No. 2	7.10	7.10	2010
No. 2	15.39	15.39	2011
No. 3	8.95	8.95	2011
No. 3	10.53	10.53	2009
No. 3	32.84	32.84	2005
No. 4	30.91	30.91	2005
No. 4	21.64	21.64	2005
No. 5	5.12	5.12	2002
No. 5A	3.06	3.06	2005

NOTE 2 - LEVIED TAXES

The following are the principal taxpayers for the parish and related ad valorem tax revenue for the police jury:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Cleco Corporation	Utility	\$ 3,733,990	6.12%
Transcontinental Gas	Utility	3,325,050	5.45%
Texas Eastern	Utility	3,202,370	5.25%
Total		<u>\$10,261,410</u>	<u>16.82%</u>

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2001, the police jury has cash and cash equivalents (book balances) totaling \$4,389,515 as follows:

Demand deposits	\$ 7,175
Interest-bearing demand deposits	3,537,693
Time deposits	844,647
Other	-
Total	<u>\$ 4,389,515</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2001, the police jury has \$4,509,420 in deposits (collected bank balances). These deposits are secured from risk by \$251,781 of federal deposit insurance and \$4,257,639 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No.3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES

The following is a summary of receivables at December 31, 2001:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>
Taxes:			
Ad valorem	\$ 189,103	\$ 1,781,519	\$ -
Sales and use	-	108,608	-
Other	-	-	54,702
Grants:			
State	242,541	146,349	-
Other	2,610	438	-
Total	<u>\$ 434,254</u>	<u>\$ 2,036,914</u>	<u>\$ 54,702</u>

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

NOTE 4 - RECEIVABLES

Uncollectible amounts due for property taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectable. This method does not result in a charge to bad debts that is materially different from the amount that would be charged if the reserve method were used.

NOTE 5 - FIXED ASSETS

The changes in general fixed assets follow:

	Balance <u>Jan. 1, 2001</u>	<u>Additions</u>	Balance <u>Dec. 31, 2001</u>
Land	\$ 1,113,600	\$ -	\$ 1,113,600
Buildings	3,295,611	-	3,295,611
Equipment	2,406,329	148,895	2,555,224
Furniture and fixtures	129,707	-	129,707
Construction in progress	3,317,694	241,694	3,559,388
Total	<u>\$10,262,941</u>	<u>\$ 390,589</u>	<u>\$ 10,653,530</u>

NOTE 6 - PENSION PLAN

Plan Description. Substantially all employees of the Allen Parish Police Jury are members of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the police jury are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3% of final-average salary for each year of service credited after the revision date. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

NOTE 6 - PENSION PLAN

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Allen Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 7.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Allen Parish Police Jury are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Allen Parish Police Jury's contributions to the System under Plan A for the years ending December 31, 2001, 2000, and 1999 were \$68,833, \$72,334, and \$69,018, respectively, equal to the required contributions for each year.

NOTE 7 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The police jury provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the police jury's employees become eligible for these benefits if they reach normal retirement age while working for the police jury. Benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the police jury. The police jury recognizes the cost of providing these benefits (police jury's portion of premiums) as an expenditure when paid during the year, which was \$21,089 for 2001 and \$21,568 for 2000. The cost of retiree benefits was \$10,544 for 2001 and \$10,694 for 2000. There were 5 retirees receiving benefits in 2001.

NOTE 8 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$294,868 at December 31, 2001, are as follows:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>
Salaries	\$ 3,122	\$ 34,582	\$ -
Accounts	19,478	164,089	15,790
Other	5,609	52,198	-
Total	<u>\$ 28,209</u>	<u>\$ 250,869</u>	<u>\$ 15,790</u>

NOTE 9 - COMPENSATED ABSENCES

At December 31, 2001, employees of the police jury have accumulated and vested \$90,133 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$90,133 is recorded within the general long-term obligations account group.

NOTE 10- LEASES

The police jury records items under capital leases as assets and obligations in the accompanying financial statements. The following is an analysis of capital leases at December 31, 2001:

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

NOTE 10- LEASES

<u>Type</u>	<u>Recorded Amount</u>
Equipment	<u>\$ 120,972</u>

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of December 31, 2001:

<u>Fiscal Year</u>	<u>Equipment</u>
2002	\$ 19,572
2003	19,572
2004	<u>13,048</u>
Total minimum lease payments	52,192
Less-amount representing interest	<u>4,539</u>
Present value of net minimum lease payments	<u>\$ 47,653</u>

The police jury has operating leases of the following nature:

Tractor-Road District #5
Tractor-Road District #4

The minimum annual commitments under noncancellable operating leases are as follows:

<u>Fiscal Year</u>	<u>Equipment</u>
2002	\$ 17,484
Total	<u>\$ 17,484</u>

Rental expenditures for these operating leases totaled \$17,484 for the year ended December 31, 2001.

NOTE 11- CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2001:

	<u>Bonded Debt</u>	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations payable at January 1, 2001 ...	\$ 3,065,000	\$ 88,659	\$ 86,067	\$ 3,239,726
Additions	-	-	4,066	4,066
Deductions	<u>(510,000)</u>	<u>(41,006)</u>	<u>-</u>	<u>(551,006)</u>
Long-term obligations payable at December 31, 2001 .	<u>\$ 2,555,000</u>	<u>\$ 47,653</u>	<u>\$ 90,133</u>	<u>\$ 2,692,786</u>

General obligation bonds, certificates of indebtedness, et cetera, are comprised of the following individual issues:

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

NOTE 11- CHANGES IN GENERAL LONG-TERM OBLIGATIONS

Court House Square Improvement certificate of indebtedness - \$450,000 issue of January 1, 1995 due in annual installments of \$35,000 to \$60,000 through January 1, 2005, with interest of 6.00%. Debt retirement payments are made from the Court House Square Improvement Debt Service Fund		\$ 215,000
Road District No. 3 certificate of indebtedness - \$800,000 issue of April 1, 1996 due in annual installments of \$45,000 to \$105,000 through March 1, 2006, with interest at 5.25%. Debt retirement payments are made from the Road District No. 3 Debt Service Fund		465,000
Road District No. 4 certificate of indebtedness- \$250,000 issue of April 1, 1999 due in annual installments of \$40,000 to \$60,000 through March 1, 2004, with interest at 4.50%. Debt retirement payments are made from the Road District No. 4 Debt Service Fund		165,000
Court House Improvement certificate of indebtedness - \$1,700,000 issue of May 1, 1999 due in annual installment of \$135,000 to \$210,000 through February 1, 2009, with interest at 5.06%. Debt retirement payments are made from the Court House Improvement 1999 Debt Service Fund		1,425,000
Tourist Commission certificate of indebtedness - \$200,000 issue of February 1, 1999 due in annual installments of \$15,000 to \$25,000 through February 1, 2009, with interest at 4.63%. Debt retirement payments are made from the Tourist Commission Debt Service Fund		170,000
Road District No. 2 certificate of indebtedness - \$480,000 issue of October 1, 1999 due in annual installments of \$115,000 to \$185,000 through March 1, 2002, with interest at 4.55%. Debt retirement payments are made from the Road District No. 2 1999 Debt Service Fund		<u>115,000</u>
Total certificates of indebtedness		<u>\$2,555,000</u>

At December 31, 2001, the police jury has accumulated \$4,604 in the debt service funds for future debt requirements. The annual requirements to amortize all certificates outstanding at December 31, 2001, including interest of \$445,722, are as follows:

Fiscal Year	Road Districts			Court House Improvement '99	Court House Square Improvement	Tourist Commission	Total
	No. 2	No. 3	No. 4 '99				
2002	\$117,616	\$107,181	\$ 56,296	\$ 218,310	\$ 61,400	\$ 22,516	\$ 583,319
2003	-	102,719	58,935	215,594	58,400	26,706	462,354
2004	-	103,125	61,349	217,498	60,250	25,781	468,003
2005	-	108,138	-	218,896	61,800	24,856	413,690
2006	-	107,756	-	214,914	-	23,931	346,601
Thereafter	-	-	-	646,552	-	80,203	726,755
Total	<u>\$117,616</u>	<u>\$528,919</u>	<u>\$ 176,580</u>	<u>\$ 1,731,764</u>	<u>\$ 241,850</u>	<u>\$ 203,993</u>	<u>\$3,000,722</u>

2004	-	108,138	-	218,896	61,800	24,856	413,690
2005	-	107,756	-	214,914	-	23,931	346,601
2006	-	-	-	646,552	-	80,203	726,755
Thereafter	-	-	-	<u>1,731,764</u>	<u>241,850</u>	<u>203,993</u>	<u>3,000,722</u>
Total	<u>\$117,616</u>	<u>\$528,919</u>	<u>\$ 176,580</u>	<u>\$ 1,731,764</u>	<u>\$ 241,850</u>	<u>\$ 203,993</u>	<u>\$3,000,722</u>

NOTE 11- CHANGES IN GENERAL LONG-TERM OBLIGATIONS

Certificates of indebtedness are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 39:562, the police jury is legally restricted from incurring long-term bonded debt in excess of 10% of the assessed value of taxable property in the parish. At December 31, 2001, the statutory limit is \$6,098,954.

NOTE 12- CHANGES IN AGENCY FUND

	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
Assets:				
Cash	\$ 269,467	\$ 8,645	\$ 67,404	\$ 210,708
Total assets	<u>\$ 269,467</u>	<u>\$ 8,645</u>	<u>\$ 67,404</u>	<u>\$ 210,708</u>
Liabilities:				
Due to other governments	\$ 269,467	\$ 8,645	\$ 67,404	\$ 210,708
Total liabilities	<u>\$ 269,467</u>	<u>\$ 8,645</u>	<u>\$ 67,404</u>	<u>\$ 210,708</u>

NOTE 13- CRIMINAL COURT FUND

R.S. 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year end be transferred to the parish General Fund. The following details the amount due at December 31, 2001:

Balance due at January 1, 2001	\$ 37,353
Amount due for 2001	1,607
Balance due at December 31, 2001	<u>\$ 38,960</u>

The police jury does not intend to transfer the \$38,960 due to the General Fund because the police jury appropriated \$46,345 in prior years to eliminate the deficit in the Criminal Court Fund.

NOTE 14- LITIGATION

At December 31, 2001, the police jury is involved in fourteen lawsuits. In the opinion of legal counsel for the police jury, no estimate of loss can be made.

NOTE 15- CONDUIT DEBT

On December 7, 1998 the police jury passed a resolution authorizing the issuance and sale of revenue bonds to finance the construction of a sewage and solid waste disposal facility for International Paper Company. Such bonds shall not exceed \$3,300,000. According to the police jury's bond counsel, the bonds shall not constitute an indebtedness or pledge of the general credit of the police jury, within the meaning of any constitutional or statutory limitation of indebtedness.

NOTE 16- RISK MANAGEMENT

The police jury is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The police jury maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Notes to the Financial Statements (Continued)

NOTE 16- RISK MANAGEMENT

preclude any significant uninsured losses to the police jury. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 17- GASB STATEMENT NO. 34

The police jury is not required to implement GASB No. 34 until the period of January 1, 2004 to December 31, 2004.

SUPPLEMENTAL INFORMATION SCHEDULES

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2001

COMPENSATION PAID POLICE JURORS

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method, jurors receive \$1,200 per month.

Schedule of compensation paid to police jurors for the year ended December 31, 2001 is as follows:

	<u>2001</u>
R.E. Weatherford	\$ 14,400
Billy Reeves.	14,400
Andrew Hayes	14,400
John W. Strother, Jr.	14,400
A.M. Farris, Jr.	14,400
Matthew R. Hollins	14,400
Kenneth Hebert	<u>14,400</u>
Total	<u>\$100,800</u>

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Schedule of Findings
For the Year Ended December 31, 2001

We have audited the primary government financial statements of the Allen Parish Police Jury as of and for the year ended December 31, 2001, and have issued our report dated June 21, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2001 resulted in an unqualified opinion.

Section I Summary of Auditors' Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness(es)

☒ Yes

☐ No

Other Condition(s)

☐ Yes

☒ None reported

Compliance

Compliance Material to Financial Statements

☒ Yes

☐ No

Section II Financial Statement Findings

2001-1 I/C (Material weakness) Segregation of duties:

Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. One person is currently performing the function of preparing disbursements, and reconciling the bank statements. We do note that this situation is inherent to most entities of this type and is difficult to solve due to the funding limitations of the Police Jury. We recommend that the police jurors take an active interest in the review of all of the financial information. This was also a prior year finding.

2001-2 I/C (Material weakness) Cooperative endeavor agreements:

2001-1 C

Criteria:

Article VII, Section 14(A) of the Louisiana Constitution of 1974 states: except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

Article VII, Section 14(C) of the Louisiana Constitution of 1974 states: for a public purpose, the state and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public, or private association, corporation, or individual.

All of the following elements must be met to have a valid cooperative endeavor agreement in all circumstances:

- 1) The expenditure or transfer of public funds or property must be based on a legal obligation or duty;
- 2) The expenditure must be for a public purpose; and
- 3) The expenditure must create a public benefit proportionate to its cost.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Schedule of Findings
For the Year Ended December 31, 2001

Condition:

The police jury has established so called contingency funds from funds derived from prior years gaming revenues. These funds appear to be used mainly for expenditures outside the normal course of police jury business. The police jury budgets the expenditures in its annual budget under capital outlay. For expenditures that benefit outside parties, a juror will request that the police jury enter into a joint service agreement with that entity. The juror will state an amount and a description of the use of those funds. This motion will be voted on by the jury as a whole. The joint service agreement will be drawn up after this.

Upon reviewing the activity in these accounts in 2001 we noted the following:

- 1) The joint service agreements do not have all the elements to affect a valid cooperative endeavor agreement. The agreements do not state what legal obligation or duty allows the police jury to expend the funds. The agreements do not adequately describe the use of these funds to allow the police jury to make an informed decision as to whether to enter into these agreements or not.
- 2) Contingency funds were used mainly to assist various recreation districts within Allen Parish.
- 3) The District 4 Contingency Fund had the most expenditures during the year, totaling \$49,924. District 1 Contingency Fund had expenditures of \$5,249 for the year.
- 4) In the District 4 Contingency Fund, \$10,491 was used to purchase fitness equipment. This was purchased under two joint service agreements with the Ward 4 Recreation District. One agreement stated the purpose was to purchase "equipment and materials", which was approved by the police jury on March 19, 2001. The other agreement stated the purpose was for "completion of a project", which was approved by the police jury on April 2, 2001. The fitness equipment is at Fairview High School. Because this equipment is located at this high school, we have to question the following:
 - a) Should the joint service agreement have been between the police jury and the Allen Parish School Board?
 - b) By the equipment being located at the high school, is access available to all citizens who would desire to use it?

Effect:

Possible violation of Article VII, Section 14(A) of the Louisiana Constitution of 1974 because of invalid cooperative endeavor agreements.

Cause:

Administrative oversight.

Recommendation:

The police jury should consult with its legal advisor to determine the adequacy of its present cooperative endeavor agreements. We also recommend that in the future, a completed cooperative endeavor agreement be presented to the police jury before a vote is made. The agreement should describe specifically what the funds will be used for.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Schedule of Findings
For the Year Ended December 31, 2001

2001-2 C Providing cover materials when installing culverts:

Criteria: Article VII, Section 14(A) of the Louisiana Constitution of 1974 prohibits funds, credits, property, or things of value of the state or of any political subdivision from being loaned, pledged, or donated to or for any person. AG No. 80-927 reaffirms that if the police jury provides cover materials when installing culverts this would be a violation of Article VII, Section 14 even though the culverts are within the parish right-of-way.

Condition: The police jury is providing cover materials (which include equipment and labor costs) when installing culverts in the roadside ditches on parish roads. The police jury's policy provides that prior to the installation of any culverts in any parish road ditch the lot owner and/or house builder or developer is to obtain the culvert size and length from the parish engineer or road superintendent. The lot owner and/or house builder or developer will be required to purchase the necessary culverts and the police jury force will place same in the road ditch. The police jury follows this policy except that it furnishes fill and limestone to cover the culvert from the front of the road ditch to the back of the road ditch.

Effect: Violation of Article VII, Section 14 (A) of the Louisiana Constitution of 1974 by providing labor and materials at no cost in the installation of culverts.

Cause: Administrative oversight.

Recommendation: The police jury should cease providing cover materials when installing culverts in roadside ditches along parish roads. The police jury should consider only inspecting the culverts to ensure that property owners use the proper type and size culverts and that the culverts are installed by the property owner at the proper grade. The police jury could also obtain an Attorney General's opinion on its present policy.

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Management's Corrective Action Plan for
Current Year Audit Findings (Unaudited)
For the Year Ended December 31, 2001

Section I Internal Control and Compliance Material to the Financial Statements:

2001-1 I/C Segregation of duties:

This is an ongoing finding that cannot be corrected due to lack of financial resources.

Contact person– Kenneth Hebert, President.

2001-2 I/C Cooperative endeavor agreements:

2001-1 C

Recommendation: The police jury should consult with its legal advisor to determine the adequacy of its present cooperative endeavor agreements. We also recommend that in the future, a completed cooperative endeavor agreement be presented to the police jury before a vote is made. The agreement should describe specifically what the funds will be used for.

Planned action: The police jury will consult with its legal advisor on this matter by July 31, 2002.

Contact person - Kenneth Hebert, President

2001-2 C Providing cover materials when installing culverts:

Recommendation: The police jury should cease providing cover materials when installing culverts in roadside ditches along parish roads. The police jury should consider only inspecting the culverts to ensure that property owners use the proper type and size culverts and that the culverts are installed by the property owner at the proper grade. The police jury could also obtain an Attorney General's opinion on its present policy.

Planned action: The police jury will consult with its legal advisor on this matter by July 31, 2002.

Contact person - Kenneth Hebert, President

ALLEN PARISH POLICE JURY
Oberlin, Louisiana
Supplemental Information Schedule
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2001

Section 1 - Internal Control and Compliance Material to the Financial Statements

2000-1 I/C (Ongoing finding) Segregation of duties:

Corrective action taken - Due to lack of sufficient financial resources, this finding cannot be resolved. See 2001-1 I/C.

2000-2 I/C (12/31/98) Records of general fixed assets; incomplete inventory of general fixed assets:
2000-1 C

The police jury does not have a complete inventory list of all fixed assets owned by the police jury. The list does not include land or buildings owned by the police jury.

Corrective action taken - Yes.

2000-3 I/C (12/31/99) No written agreement with the Allen Parish Tourist Commission:

No written agreement between the two parties for reimbursement by the Tourist Commission for debt payments.

Corrective action taken - No.

Planned corrective action - The police jury will consult with its legal advisor on this matter by July 31, 2002.

2000-2 C (12/31/00) Budgetary authority and control:

Actual revenues and other sources in the Special Revenue Funds failed to meet budgeted revenues and other sources by 7%.

Corrective action taken - Yes.

2000-3 C (12/31/98) Donation of public property:

The Legislative Audit Advisory Council for the State of Louisiana instructed the Allen Parish Police Jury to seek civil action to recover parish funds that were used to benefit private citizens. The police jury was instructed to take this action on August 26, 1999.

Corrective action taken - Partially.

Planned corrective action - The police jury has attempted to secure the services of an attorney. To date, all have declined. The police jury will continue to attempt to procure the services of an attorney.

2000-1 (12/31/00) Mgmt. Timesheets:

The police jury should improve its recording of daily work performed by all administrative personnel.

Corrective action taken - Yes.

INDEPENDENT AUDITORS' REPORT SECTION



Mires & Company
A Professional Corporation

Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Allen Parish Police Jury
Oberlin, Louisiana

We have audited the primary government financial statements of the Allen Parish Police Jury, as of and for the year ended December 31, 2001, and have issued our report thereon dated June 21, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Allen Parish Police Jury's primary government financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-1 C and 2001-2 C.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Allen Parish Police Jury's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Allen Parish Police Jury's ability to record, process, summarize and report financial data consistent with the assertions of management in the primary government financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2001-1 I/C and 2001-2 I/C.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 2001-1 I/C and 2001-2 I/C to be material weaknesses.

This report is intended solely for the information and use of management, the Allen Parish Police Jury, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Mires & Company, CPAs, APC

Mires and Company, CPAs, APC
June 21, 2002